

**REMARKS**

Claims 1-7 are pending in this application. By this Amendment, claims 1, 6 and 7 have been amended as suggested in the Office Action, and claims 8-10 have been cancelled.

Entry of the Amendment is proper under 37 CFR §1.116 since the Amendment: (a) places the application in condition for allowance for the reasons discussed herein; (b) does not raise any new issues requiring further search and/or consideration; (c) does not add any additional claims; and (d) places the application in better form for appeal, should an appeal be necessary. Entry of the Amendment is thus respectfully requested.

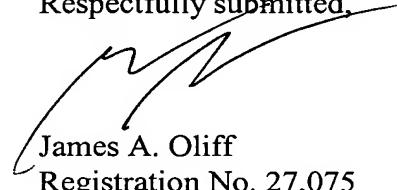
A Restriction Requirement was required and Applicants elected Group I, claims 1-7. Applicants assume that the Election of Species Requirement has been withdrawn because claim 4 was rejoined.

The rejections of claims 1-3, 6 and 7 under 35 U.S.C. §102(e) and claim 4 under 35 U.S.C. §103(a) over Carey et al. (Carey), U.S. Patent No. 6,836,392, have been rendered moot by the Examiner-suggested amendment. Applicants note that a second electrode layer that covers a free layer includes the example provided in Applicants' Fig. 1 where the upper electrode layer 44 covers the free layer 38 without directly contacting the free layer 38.

In view of the foregoing, it is respectfully submitted that this application is in condition for allowance. Favorable reconsideration and prompt allowance are earnestly solicited.

Should the Examiner believe that anything further would be desirable in order to place this application in even better condition for allowance, the Examiner is invited to contact the undersigned at the telephone number set forth below.

Respectfully submitted,



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